



CITY OF ATASCADERO

April 6, 2005

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DIV. OF HOUSING
POLICY DEVELOPMENT HCD

Cathy Creswell
Deputy Director
Department of Housing and Community Development
Housing Policy Division
1800 Third Street, Room 430
Sacramento, California 95814

Subject: City of Atascadero Annual Housing Report for 2003 & 2004

Dear Ms. Creswell:

Enclosed for your review is the City of Atascadero's Annual Housing Report for the Calendar Years 2003 and 2004. Section 65400 of the Government Code requires that each jurisdiction provide an annual report to the Office of Planning and Research and the Department of Housing and Community Development on the status and progress in meeting its share of regional housing needs.

The City of Atascadero has a variety of programs to meet the needs of Atascadero residents and is making great strides in meeting the goals and policies of the City Housing Element.

If you need further information, please contact me at (805) 461-5000, Ext. 3442.

Sincerely,


Kerry Margason
Contract Planner

Enclosure – Annual Housing Report 2003/2004

Commdev/~Housing Element/Annual Report/HCD Trans Letter

City of Atascadero



Annual Housing Report Calendar Years 2003 and 2004

February 2005

CITY OF ATASCADERO

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Warren Frace, Director
Steve McHarris, Deputy Director
Kerry Margason, Contract Planner

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INTRODUCTION

The past few years have been an exciting time for the City of Atascadero's housing programs. The City Council has taken several actions to promote a variety of housing products and provide affordable housing for our workforce. These actions include:

- Adoption of a Community Redevelopment Plan in July of 1999
- Updating the General Plan and Housing Element in 2002
- Adoption of an "Inclusionary Housing" Program in 2003
- Adoption of a "Mixed Use" Program in 2004
- Adoption of a Second Residential Unit ordinance in 2004
- Adoption of a Second Unit Amnesty policy in 2004

All of these actions contribute to Atascadero's housing programs and enable the City to move forward in implementation of the City Council adopted Housing Element.

The purpose of this report is to:

- Comply with Section 65400 of the Government Code; and,
- Provide the City Council with a summary of the progress made towards reaching the goals of the Housing Element for the years 2003 and 2004; and,
- Acknowledge the goals which continue to need the attention of the City Council in order to fully implement the Housing Element.

The year 2003 is included in this report as it was not completed by the February 2004 deadline. In December of 2003, the City of Atascadero was hit with a 6.5 magnitude earthquake (the San Simeon Earthquake). Due to extensive damage, Atascadero was declared a Federal and State Disaster Area. The existing City Hall was severely damaged and rendered unsafe for occupation. It was necessary for City staff to relocate and become functional again, in a very short amount of time, in order to address the immediate health and safety issues of the community. During the six to eight months following the earthquake, City staff was focused on the recovery effort and consequently the Annual Housing Report for 2003 was not completed by the submission deadline.

This report is formatted to meet the recommendations of the State Department of Housing and Community Development. The Housing Element goals and policies are listed in Section 1, followed by a brief description of the City's current housing programs and program accomplishments in Section 2. Section 3 describes the progress achieved in meeting the Regional Housing Needs Allocation, reducing Governmental Constraints on development and a brief discussion of other housing accomplishments. Section 4 is a summary of the City's achievements and Staff recommended housing program priorities for 2005.

SECTION 1

GOALS AND POLICIES

HOUSING ELEMENT GOALS AND POLICIES

GOAL HOS 1: PROMOTE DIVERSE AND HIGH QUALITY HOUSING OPPORTUNITIES TO MEET THE NEEDS OF ALL SEGMENTS OF THE COMMUNITY

Policy 1.1: Encourage steady production of new housing, including mixed-use projects in commercial land use areas, to meet the needs of all household types in the City.

Policy 1.2: Encourage a variety of high quality housing types in multi-family areas.

GOAL HOS 2: INCREASE HOME OWNERSHIP OPPORTUNITIES

Policy 2.1: Promote development and construction of new housing units for ownership, especially by low and moderate income families.

Policy 2.2: Promote and encourage availability of new housing units to first time homebuyers.

GOAL HOS 3: ENSURE THAT AN ADEQUATE AMOUNT OF RENTAL HOUSING EXISTS

Policy 3.1: Ensure that the proportion of low and moderate rental housing is not significantly reduced.

Policy 3.2: Prioritize construction of additional assisted housing units.

GOAL HOS 4: PROTECT AND CONSERVE THE EXISTING HOUSING STOCK AND NEIGHBORHOODS

Policy 4.1: Encourage conservation and preservation of neighborhoods and sound housing, including places and buildings of historical and architectural significance.

Policy 4.2: Encourage conservation and preservation of houses that have historical and architectural significance.

Policy 4.3: Encourage attractive architecture and site landscaping that respect terrain and native trees.

Policy 4.4: Protect housing affordability where it currently exists.

GOAL HOS 5: ENCOURAGE ENERGY CONSERVATION MEASURES IN NEW AND EXISTING HOMES

Policy 5.1: Continue to make residents aware of available energy saving techniques and public utility rebates.

Policy 5.2: Encourage solar and other innovative energy designs when consistent with State and local ordinances.

GOAL HOS 6: IMPROVE HOUSING OPPORTUNITIES AND LIVING CONDITIONS FOR PEOPLE WITH LOW AND MODERATE INCOMES AND THOSE WITH SPECIAL NEEDS

Policy 6.1: Ensure that all persons regardless of race, religion, age, sex, marital status, ancestry, national origin, or color have equal access to sound and affordable housing.

Policy 6.2: Encourage lending institutions to provide loans for projects for special needs groups, including one-parent households.

Policy 6.3: Encourage multi-family projects that provide affordable housing.

Policy 6.4: Encourage the development of multi-bedroom units for families.

Policy 6.5: Ensure that persons with disabilities have adequate access to housing.

GOAL HOS 7: EXPAND HOUSING ASSISTANCE EFFORTS

Policy 7.1: Support rental assistance programs.

GOAL HOS 8: DECREASE NON-GOVERNMENTAL CONSTRAINTS ON HOUSING PRODUCTION

Policy 8.1: Encourage interplay between lending institutions, the real estate and development community and the City to better understand and address non-governmental constraints and facilitate production of affordable housing.

Policy 8.2: Help lower development costs where feasible, especially for low and moderate income housing units.

GOAL HOS 9: DECREASE GOVERNMENTAL CONSTRAINTS ON HOUSING PRODUCTION

Policy 9.1: Review projects in as timely a manner as possible, while maintaining adequate public involvement and fulfilling the appropriate requirements of State and local laws.

GOAL HOS 10: ENSURE AN ADEQUATE SUPPLY OF LAND FOR NEW HOUSING PRODUCTION

Policy 10.1: Encourage infill and intensification in areas suitable for housing within the USL.

Policy 10.2: Consider revising the Zoning Ordinance to allow mixed use projects outside the downtown area.

The Housing Element includes Quantified Objectives, as shown in Table 1 below, and as defined by the City Council, to aid in tracking the progress of meeting the stated goals and objectives.

Table 1: Annual Quantified Objectives, 2001-2008

Program	Objective	Income Level			
		Very Low	Low	Moderate	Total
New Construction					
1.1 (2)	Downtown mixed use	1	8		9
1.1 (3)	Small lot single-family			10	10
1.1 (4)	PD in SFR-X Zone			12	12
1.1 (5)	Specific Plans for large projects		5		5
1.1 (7)	Mobile and group homes	3			3
1.1 (8)	Support Apartment Construction	2	6	16	24
2.1 (1)	Density bonus	1	4		5
2.1 (2)	PD-7 for small lot sub'ds.		5	12	17
2.2 (1)	Mort. Credit Cert. pgm.	2			2
2.2 (2)	Inclusionary ordinance	3			3
3.1 (3)	Second units in SFR-Y	3			3
3.1 (4)	Mixed-use projects	3	4		7
3.2 (1)	Pub./private partnerships	3			3
6.4 (2)	Large family units	3			3
Conservation					
3.1 (2)	Non-profit involvement	2			2
Rehabilitation					
4.1 (3)	Federal grant programs	14			14
4.2 (3)	RDA funds	6			6
4.4 (1)	No net loss of aff. units				0
Total Planned / Year		46	32	50	128
Total Required / Year		46	32	46	124

SECTION 2

DESCRIPTION OF HOUSING PROGRAMS AND PROGRAM ACCOMPLISHMENTS

Redevelopment Set Aside Housing Fund Program: The City Council established a Community Redevelopment Agency and adopted a Redevelopment Plan (Plan) in July 1999. A revision to the Redevelopment Plan in May 2003 clarified and refined the Agency's voting requirements. Some of the objectives of the Plan are to revitalize the downtown area, improve/correct existing infrastructure deficiencies, and expand and/or improve the community's housing stock in the redevelopment area.

Program Accomplishments (Ongoing Program): As this is a relatively new program, redevelopment funds are still limited. As shown in Table 2 – Redevelopment Housing Funds Received below, the City has received approximately \$680,000 in funds for the Low/Moderate Housing Set Asides. Given the high cost of property in Atascadero and the high construction costs, these monies would not be sufficient to fund an actual residential project of any size. To date, the funds are accruing and, over the next year or two, Staff, in conjunction with the Housing Committee, will be outlining programs for the Redevelopment Board of Director's review to best determine how to use the funds to implement the Redevelopment Plan.

Table 2 - Redevelopment Housing Funds Received

YEAR	Funds In Housing Set Aside Program
1999	First Year of Plan, No funds received
2000-2001	\$70,366.79
2001-2002	\$153,109.74
2002-2003	\$190,576.78
2003-2004	\$265,446.65
2004-2005	Funds will not be distributed until the end of the Fiscal Year
TOTAL TO DATE	\$679,499.96

Inclusionary Housing Program: In June of 2003, the City Council adopted an "Inclusionary Housing" Program that required all development projects needing a "legislative" approval to deed restrict 20% of the proposed residential units for affordable housing. The required 20% is to be distributed as 20% Very Low, 37% Low and 43% Moderate in multi-family and commercial mixed use zoning districts and 100% Moderate in single family residential zoning district. Projects proposing ten (10) units or less may, at the developer's option, pay in-lieu fees at 2.5% of the construction valuation for each residential unit or fractional unit in the project. Projects proposing eleven (11) or more residential units must have City Council approval to use the in-lieu fee option. Deed restrictions are for a period of 30 years. The program also requires that the affordable units be of comparable quality and dispersed throughout the project.

In November 2003, the City Council revised the Inclusionary Housing Program to require that in lieu fees be raised to 5%, calculated on the construction valuation of the market rate units.

Program Accomplishments (Ongoing Program): In 2003 and 2004, the City processed several entitlement permits that required inclusionary housing or in-lieu fees. Many of these projects are still in the process of recording final maps and applying for building permits.

In 2003, deed restrictions were obtained for three (3) units, all at the moderate level. Building permits were completed for three moderate deed restricted units in 2003 (two of the moderate units from 2003 and one moderate unit that began construction in 2002).

In 2004, there were 27 deed restrictions, all at the moderate level. Approximately 20 of these units are under construction. One unit has been completed. Table 3 – Inventory of Affordable Housing Deed Restrictions, on the next page, shows the City's current inventory of deed restricted units. *Please note that the inventory is based on actual, recorded documents, and does not necessarily reflect all the approved entitlement projects which have inclusionary housing requirements.* Exhibit A, attached to this report, shows the location of the units and provides a tabulation of the type of deed restriction obtained. Exhibit A locates both projects which have been approved, but are still in the final map and/or building permit stages and projects which have completed the construction process. Many of the units listed in Exhibit A will not come on line until 2005/2006.

As of December 31, 2004, the City had not collected any in-lieu fees. It is anticipated that the City will begin collecting these fees in 2005 for projects that have the option of paying the fees.

This housing program contributes to the implementation of Housing Element Goals 2, 6 and 8.

TABLE 3 - INVENTORY OF AFFORDABLE HOUSING DEED RESTRICTION

Address	Legal Description	Type	Range	Term	City	File Number	Document No.	Recording	
								Date	Final
7480 Santa Ysabel		5-MFU	Low-	30 Yrs	PSHHC	CBDG Funds-	1999-089551	12/29/1999	
			Low-				Vol 3818 page		
9305 Musselman	Lot 3, Tract 2046	SFR	Mod	15 Yrs	Den Bonus		341	1/24/1992	
5900 Lolita Avenue	Lot 6, Tract 2225	SFR	Mod	30 Yrs	Den Bonus		1996-049777	10/4/1996	
5905 Teresa Avenue	Lot 9, Tract 2225	SFR	Mod	30 Yrs	Den Bonus		1996-049777	10/4/1996	
5900 Teresa Avenue	Lot 12, Tract 2225	SFR	Mod	30 Yrs	Den Bonus		1996-049777	10/4/1996	
5454 Via Ranchitos	Lot 3, Tract 2489	SFR	Mod	10 Yrs			2003-072980	7/7/2003	2003-2473
5455 Via Ranchitos	Lot 13, Tract 2489	SFR	Mod	10 Yrs			2003-072981	7/7/2003	2003-2602
10165 El Camino Real	California Manor	Senior							
El Camino Real	Hidden Oaks Apts	MFU		10 Yrs	CUP 2000-0012		2001-093797	12/4/2001	
	Macadero Grdn Apt								
5420 Robles Avenue	Lot 3, AT 99-143	SFR	Mod	10 Yrs	TPM 990010		2002-035903	4/30/2002	2000-0326
7258 Parriza Court	Lot 5, Tract 2446	SFR	Mod	10 Yrs			2002-080271	9/27/2002	2002-2093
1190 Avenida Manzana	Lot 57, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106450	12/8/2004	
1180 Avenida Manzana	Lot 58, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106451	12/8/2004	
1170 Avenida Manzana	Lot 59, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106452	12/8/2004	
1150 Avenida Manzana	Lot 60, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106453	12/8/2004	
1140 Avenida Manzana	Lot 61, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106454	12/8/2004	
1130 Avenida Manzana	Lot 62, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106455	12/8/2004	
1120 Avenida Manzana	Lot 63, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106456	12/8/2004	
1110 Avenida Manzana	Lot 64, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106457	12/8/2004	
1100 Avenida Manzana	Lot 65, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106458	12/8/2004	
1105 Avenida Manzana	Lot 66, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106459	12/8/2004	
1115 Avenida Manzana	Lot 67, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106460	12/8/2004	
1135 Avenida Manzana	Lot 68, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106461	12/8/2004	
1145 Avenida Manzana	Lot 69, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106462	12/8/2004	
1155 Avenida Manzana	Lot 70, Tract 2495	SFR	Mod	30 Yrs	TTM 2002-0026		2004-106463	12/8/2004	

TABLE 3 - INVENTORY OF AFFORDABLE HOUSING DEED RESTRICTION

Address	Legal Description	Type	Range	Term	City File Number	Document No.	Recording	
							Date	Final
	Tract 2498	2-MFU	Low	30 Yrs	TTM 2002-0020	2004-056484	6/29/2004	
	Tract 2498	5-MFU	Low	30 Yrs	TTM 2002-0020	2004-056484	6/29/2004	
	Tract 2498	5-MFU	Mod	30 Yrs	TTM 2002-0020	2004-056484	6/29/2004	
655 N. Ferrocarril	Lot 1, Tract 2498	SFR	Mod	30 Yrs		2004-056479	6/29/2004	2004-3706
740 N. Ferrocarril	Lot 24, Tract 2498	SFR	Mod	30 Yrs		2004-056482	6/29/2004	2004-3925
750 N. Ferrocarril	Lot 23, Tract 2498	SFR	Mod	30 Yrs		2004-056483	6/29/2004	2004-3924
755 N. Ferrocarril	Lot 2, Tract 2498	SFR	Mod	30 Yrs		2004-056480	6/29/2004	2004-3707
805 N. Ferrocarril	Lot 4, Tract 2498	SFR	Mod	30 Yrs		2004-056481	6/29/2004	2004-3709
1055 N. Ferrocarril	Lot 8, Tract 2498	SFR	Mod	30 Yrs				2004-3825
1155 N. Ferrocarril	Lot 9, Tract 2498	SFR	Mod	30 Yrs				2004-3812
1255 N. Ferrocarril	Lot 10, Tract 2498	SFR	Mod	30 Yrs				2004-3813
1305 N. Ferrocarril	Lot 11, Tract 2498	SFR	Mod	30 Yrs				2004-3814
1355 N. Ferrocarril	Lot 12, Tract 2498	SFR	Mod	30 Yrs				2004-3815
1200 N. Ferrocarril	Lot 13, Tract 2498	SFR	Mod	30 Yrs				2004-3816
1100 N. Ferrocarril	Lot 14, Tract 2498	SFR	Mod	30 Yrs				2004-3817
1000 N. Ferrocarril	Lot 15, Tract 2498	SFR	Mod	30 Yrs				2004-3916
950 N. Ferrocarril	Lot 16, Tract 2498	SFR	Mod	30 Yrs				2004-3917
860 N. Ferrocarril	Lot 17, Tract 2498	SFR	Mod	30 Yrs				2004-3918
Tunifas Avenue	Lot 3, AT 03-0108	SFR	Mod	30 Yrs	TPM 2003-0040			
8990 Cason Court	Lot 5, Tract 2557	SFR	Mod	30 Yrs	TTM 2003-0041	2004-056469	6/29/2004	2004-4364
8935 Cason Court	Lot 11, Tract 2557	SFR	Mod	30 Yrs	TTM 2003-0041	2004-056473	6/29/2004	2004-3779
8945 Cason Court	Lot 12, Tract 2557	SFR	Mod	30 Yrs	TTM 2003-0041	2004-056470	6/29/2004	2004-3780
8965 Cason Court	Lot 14, Tract 2557	SFR	Mod	30 Yrs	TTM 2003-0041	2004-056471	6/29/2004	2004-3782
8985 Cason Court	Lot 16, Tract 2557	SFR	Mod	30 Yrs	TTM 2003-0041	2004-056472	6/29/2004	2004-3784

Mixed Use Policy: Provisions for mixed use residential/commercial development were added to the General Plan during the update process in 2002. In April 2004, the City Council adopted a mixed use application processing policy. This policy allows for Vertical Mixed Use through a Zone Change/Planned Development application and Horizontal Mixed Use through a General Plan Amendment.

Program Accomplishments (Ongoing Program): The City processed its first mixed use entitlement in 2004 as a General Plan Amendment for a horizontal mixed use project. The project allowed for a commercial use on a main thoroughfare, with a duplex unit behind the store. Since that time, the City has processed approximately 3 additional mixed use projects, resulting in 318 units. Exhibit A, attached, shows the location of the mixed use projects and provides a tabulation of the residential units for each project.

This housing program contributes to the implementation of Housing Element Goals 1, 2, and 10.

Second Residential Unit Ordinance: On July 27, 2004, the City Council adopted a "Secondary Residential Units and Accessory Structures" Ordinance, that became effective August 27, 2004. Previous to this ordinance, second units were only allowed in the Single Family, One Acre Minimum Zoning District, when the property was verified to be one acre net. The new ordinance allows for second units in all residential zoning districts, subject to development standards regulating square footage, parking and wastewater requirements.

Program Accomplishments (Ongoing Program): The City's updated Second Residential Unit Ordinance became effective on August 27, 2004. Under the new ordinance, approximately 4 permits were submitted for processing in 2004. These second units are incorporated into Table 6, as "Low" income units.

This housing program contributes to the implementation of Housing Element Goals 3, 4, 6, 9 and 10.

Second Unit Amnesty Program: In addition to the Second Unit Ordinance, the City Council adopted a Second Unit Amnesty Policy that provides for registration of second units and guesthouses that were constructed or converted without entitlement or construction permits. The Amnesty Program runs from September 1, 2004 until September 1, 2006.

Program Accomplishments (Ends September 1, 2006): Since the implementation of the Second Unit Amnesty Program on September 1, 2004, the City has only processed one (1) permit for non-permitted conversions or second units. It is anticipated that several permits will be processed in 2005.

This housing program contributes to the implementation of Housing Element Goal 4.

Section 8 Housing Voucher Program: This is a state funded program, administrated by the Housing Authority of San Luis Obispo (HASLO). Income qualified households may have a portion of their residential rental costs subsidized by the program.

Program Accomplishments (Ongoing Program): This program is administered by the Housing Authority of San Luis Obispo (HASLO). HASLO has administered the program since the mid-1970s. As of January 4, 2005, HASLO has 266 units (15%) within the City of Atascadero under Voucher contract out of a total of 1,775 units County-wide.

This housing program contributes to the implementation of Housing Element Goal 3.

Cooperation with Other Agencies: This is a flexible, informal policy that allows the City to work with public and/or non-profit agencies in the procurement and/or construction of various affordable housing products to meet the needs of multi-family, single-family and senior households.

Program Accomplishments (Ongoing Program): In 2004, the City worked with the Economic Opportunity Commission (EOC) processing an entitlement permit that allows for a 32-bed overnight shelter in its Residential Suburban zoning district. To date, the project has not been built, however, EOC has indicated that they are working on grant funding, and construction plans may be submitted in Summer 2005.

HASLO processed entitlement permits for a 19-unit senior housing project. The conditional use permit was approved in December 2003. Building permits have been submitted for this project and Staff is currently working with HASLO to find ways to reduce construction costs. The entire project will be deed restricted to require that none of the units be rented for more that 60% of the median county income level, qualifying the units as "lower" income.

In addition, the City works closely with HASLO in the administration of the Section 8 program, certification of eligible households for deed restricted units, and exploring ways and means to promote and provide affordable housing within the City.

This housing program contributes to the implementation of Housing Element Goals 1, 3, 6 and 7.

CDBG Funding: Community Development Block Grant (CDBG) funding is provided by the Federal Government to communities. These grants are intended to benefit low and moderate income groups, address slums or blight and/or meet a particularly urgent community development need.

Program Accomplishments (Ongoing Program): In keeping with the goals (and requirements) of the CBDG program, the City uses these funds to support and assist youth, housing, health, and code enforcement programs, in addition to urban renewal projects.

As shown in Table 4 – CDBG Funds Disbursement, approximately 20% of the CDBG funds for 2003 and 2004 were awarded to various housing programs, including the El Camino Homeless Organization (ECHO). This organization provides overnight shelter to homeless individuals and works with the Economic Opportunity Commission (EOC) of San Luis Obispo County to provide ongoing services designed to help individuals into permanent housing situations. CDBG grants were also awarded to the North County Women's Resource Center (NCWRC) for renovation of their emergency shelter.

Table 4 – CDBG Funds Disbursement

Program Category	2003		2004	
	Award	Percent	Award	Percent
Americans with Disabilities Act	\$22,000	9%	\$67,679	30%
Youth Services	\$49,100	22%	\$7,000	3%
Health Services	\$6,000	3%	\$2,000	1%
Housing Services	\$17,900	8%	\$27,345	12%
*Redevelopment/Economic Development	\$5,500	2%	\$26,500	12%
Code Enforcement	\$85,000	37%	\$50,000	22%
Administration	\$42,174	19%	\$45,131	20%
**TOTALS	\$227,674	100%	\$225,655	100%

*Literacy Council grants are included in the economic development funds

**Code Enforcement grants include substandard housing enforcement funds

This housing program contributes to the implementation of Housing Element Goal 6.

Density Bonus: The City provides a density bonus program that allows for a 35% increase over the base density when deed restricted affordable housing is provided in a project. In addition to the 35% increase, an additional 15% increase may be awarded for a project that provides exceptional architectural design.

Program Accomplishments (Ongoing Program): Over the course of the last two years, several projects have been through the entitlement process which included density bonuses. The City allows for an additional 10% density increase over the State requirement of 25% when inclusionary housing is included in a project. Projects with exceptional architectural design may receive an additional 15% density increase, for a potential total of a 50% increase over base density.

Table 5 – Density Bonus Projects shows the projects which have received bonus densities in the last two years.

Table 5 – Density Bonus Projects

Project	Zoning*	Base Density	25% State Bonus	35% Bonus / Inclusionary Housing	15% Bonus for Excp. Arch Quality	Total Units
North Ferrocarril (ZCH 2002-0029)	RS	12	4			16
Apple Colony (ZCH 2002-0035)	RSF-X	56	14			70
Woodridge (ZCH 2003-0041)	RSF-X	269			9	278
Dove Creek PD-12 (ZCH 2003-0049)	Mixed	200		70	9	279
The Colony 2 PD 17 (ZCH 2003-0063)	RSF-X	28			3	31
Southside Villas Apts (CUP 2003-0095)	RMF-16	64		22		86
El Camino Senior Hotel (CUP 2003-0119)	CR	14		5		19
Oak Grove PD 17 (ZCH 2004-0082)	RSF-X	21	3			24
TOTALS		664	21	97	21	803

* Zoning Designations

RS = Residential Suburban; RSF-X = Residential Single Family, .5 acre minimum; Mixed = Residential and Commercial Use; RMF-16 = Residential Multi-family, 16 units per acre; CR = Commercial Retail

This housing program contributes to the implementation of Housing Element Goals 1, 2, 6 and 8.

Historical Preservation: Historical preservation was a noted concern of the Atascadero community during the general plan update process. To address this concern, the City Council adopted a historical preservation goal in the housing element. In conjunction with infill development in some of Atascadero's older neighbors, the City Council has applied an historical overlay district on five (5) of the remaining Colony houses.

Program Accomplishments (Ongoing Program): The recently updated General Plan Housing Element includes a goal to protect and conserve the existing housing stock and neighborhoods. Conservation and preservation of neighborhoods and sound housing, including places and buildings of historical and architectural significance is a major policy of this goal. The City of Atascadero was subdivided by E.G. Lewis in the early 1900's and marketed as a "utopian farming community." Several of the original lots were sold and developed with "colony" homes which still exist today. Preservation of these homes, where feasible, is important for maintaining a connection to the original principles upon which Atascadero was built.

This housing program contributes to the implementation of Housing Element Goal 4.

Energy Conservation: This program strives to inform residents of available energy saving techniques and alternative and/or innovative energy designs.

Program Accomplishments (Ongoing Program): The City uses public information brochures and other materials to inform residents of energy saving techniques and allows for the construction of solar and wind generated facilities.

In 2003, the Building Department issued six (6) permits for construction of solar-powered energy systems, and in 2004 nine (9) building permits were issued for solar-powered facilities.

SECTION 3

PROGRESS TOWARDS REGIONAL HOUSING NEEDS ALLOCATION, REDUCTION OF GOVERNMENTAL CONSTRAINTS AND OTHER ACCOMPLISHMENTS

Progress Towards the Regional Housing Needs Plan Allocation:

The City of Atascadero recently adopted an updated housing element in June 2002. The updated element was completed prior to the final calculations on the Regional Housing Needs Plans (RHNP) by the San Luis Obispo Council of Governments (SLOCOG). The final RHNP (adopted in January 2003) is shown in Table 2, below, as the "Target" for the various income levels. The "Actual" column shows the number of residential building permits completed for the various income groups. The table includes the timeframe for meeting the RHNP, in order to show the City's overall progress. The "Actual" column is based on completed building permits.

TABLE 6 – City of Atascadero's Share of the RHNP

SINGLE FAMILY UNITS BY INCOME CATEGORY										
YEAR	VERY LOW		LOW*		MODERATE**		ABOVE MODERATE		TOTALS	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2001	46	0	34	5	41	0	61	94	182	99
2002	45	0	34	4	41	91	61	177	181	272
2003	46	0	33	6	40	3	60	132	179	141
2004	45	0	33	1	40	2	60	131	178	134
2005	46	0	33	0	40	0	61	0	180	0
2006	46	0	34	0	40	0	60	0	180	0
2007	46	0	34	0	40	0	61	0	181	0
2008 (6 Mnths)	25	0	19	0	22	0	33	0	98	0
TOTAL	345	0	254	16	304	96	456	534	1,359	646

* The Low category includes all second residential units and guest houses.

** The moderate category includes all non-deed restricted multi-family units.

The year 2004 is approximately half way through the RHNP time period. As of December 31, 2004, Atascadero has met approximately 46% of its housing allocation, and has met or exceeded the requirement for above moderate or market rate housing. Currently the City has met approximately 35% of the requirement for moderate housing, and 6% for low housing. Several projects which received entitlement in 2004 include provisions for approximately 58 very low units. These units will not come on line until 2005/2006, depending on the individual developer's timeframes.

Reduction of Governmental Constraints: Over the past few years, the City of Atascadero has implemented several new programs and policies to reduce governmental constraints on housing production. While these programs and policies are difficult to quantify, the feedback from developers and others in the housing production community is generally favorable. The new programs and policies include:

- Improved tracking process for permits under review with public access over the internet
- Weekly inter-departmental plan check review meeting
- Completion of a four (4) prong permit streamlining program
- One stop permit center
- On line permit center with public information
- Target dates for plan check reviews
- Intake meetings to insure that complete applications are submitted
- Housing Committee to research and make recommendations to the City Council on potential housing programs
- Second Unit Ordinance
- Second Unit Amnesty program

These programs contribute specifically to the implementation of Housing Element Goal 9 and generally to Goals 3, 4, 6, and 10.

Additional Accomplishments: Over the past two years, the City has seen an increased interest in condominium subdivisions. Many of these subdivisions have taken place on under-utilized multi-family zoned parcels. Table 7 – Condominium Projects below, shows the number and type of condominium projects processed in the last few years.

Table 7 – Condominium Projects

Street/Project Number	Year	Base Zoning	Converted Units	New Units	Total Units
5750 Olmeda TPM 2003-0054	2003	RMF-16		2	2
7287 Santa Ysabel TPM 2004-0056	2004	RMF-16	1	2	3
7930 Santa Ysabel TPM 2004-0062	2004	RMF-16	1	2	3
7685 Sinaloa TPM 2004-0064	2004	RMF16	1 (Colony)	2	3
5740 Rosario TPM 2004-0063	2004	RMF-16	3	0	3
Total New Dwelling Units				8	14

In conjunction with the condominium projects, 82 entitlement permits were submitted for processing in 2003 and 76 entitlement permits were submitted in 2004. A partial list of the entitlement permits is shown in Table 8 – Residential Units Approved Since January 2003 below. These entitlement permits resulted in approval of approximately 1,147 new dwelling units for the City (574 units in 2003 and 573 in 2004).

The number in the first column of Table 8 refers to the project's location on the map included in Exhibit A, attached to this report.

In addition to the above activities, in 2004, City staff processed 72 residential building permits related to the San Simeon Earthquake with a total valuation of \$1,561,140.

City of Atascadero - General Plan Housing Element

Residential units Approved Since July 2002

	Project Name	Application Number	Date Approved	Total Residential Units	Income Category				Senior Housing	Mixed Use Units
					Above Mod	Moderate	Low	Very Low		
1	Apple Valley PD-19	ZCH 2002-0035	08/13/03	70 units	56 units	14 units	0 units	0 units		
2	Woodridge Specific Plan SP-1	ZCH 2003-0041	10/15/03	279 units	229 units	43 units	5 units	2 units		
3	La Costa PD-20	ZCH 2002-0027	10/14/03	40 units	32 units	3 units	3 units	2 units		
4	Monticito PD-18	GPA 2003-0004	03/25/03	40 units	38 units	2 units	0 units	0 units		
5	The Colony PD-17	ZCH 2002-0028	10/22/02	38 units	36 units	2 units	0 units	0 units		
6	Dove Creek PD-12	ZCH 2003-0049	09/28/04	279 units	259 units	0 units	0 units	20 units		
7	The Colony 2 PD-17	ZCH 2003-0063	05/11/04	32 units	26 units	6 units	0 units	0 units		
8	Coromar PD-17 (Pine Mountain)	GPA 2003-0009	03/23/04	16 units	11 units	5 units	0 units	0 units		
9	7755 Navajoa PD-7	ZCH 2002-0036	04/13/04	6 units	5 units	1 units or in-lieu	0 units	0 units		
10	7500 Navajoa PD-7	ZCH 2003-0047	09/14/04	4 units	3 units	1 units	0 units	0 units		
11	Mariquita PD-7	ZCH 2003-0040	10/14/04	4 units	3 units	1 units or in-lieu	0 units	0 units		
12	DeAnza Estates PD-9	ZCH 2003-0069	10/21/03	26 units	21 units	5 units	0 units	0 units	0 units	
13	Rochelle Condo Map	TTM 2004-0056	11/03/04	60 units	49 units	5 units	5 units	2 units	60 units	
14	Oak Grove PD-17 (Sep 28th mtg)	ZCH 2004-0082	10/12/04	24 units	20 units	0 units	[2 units or]	4 units		
15	Morro Rd Mixed-Use PD-22	GPA 2004-0013	07/27/04	4 units	3 units	1 units or 5%	0 units	0 units		
16	Tunitas PD-7	ZCH 2003-0045	11/25/03	4 units	3 units	1 units or 2.5%	0 units	0 units		
17	Southside Villas Apartments CPU	CUP 2003-0095	10/21/03	86 units	79 units	0 units	[13 units or]	7 units		
18	Obispo Rd PD-17	ZCH 2003-0048	01/27/04	8 units	6 units	2 units	0 units	0 units		
19	San Jacinto Rd PD-7	ZCH 2003-0053	12/10/04	5 units	4 units	1 units or 5%	0 units	0 units		
20	Tunitas/Rosario PD-7	ZCH 2003-0071	04/27/04	4 units	3 units	1 units or 5%	0 units	0 units		
21	North Ferrocarril (Pine Mountain)	GPA 2003-0009	12/10/02	44 units	44 units	0 units	0 units	0 units		
22	3F Meadows	LLA 2003-0005	02/05/03	111 units	111 units	0 units	0 units	0 units		
23	Emerald Ridge Homes	CUP 2003-0116	05/04/04	42 units	42 units	0 units	0 units	0 units		
24	5310 Carrizo Road PD-17	ZCH 2004-0078	01/25/05	12 units	10 units	2 units	0 units	0 units		
25	Westpac Mixed Use	GPA 2003-0008	10/26/04	45 units	36 units	4 units	3 units	2 units		45 units
26	Housing Authority Senior Hotel	CUP 2003-0119	12/02/03	19 units	0 units	0 units	0 units	19 units	19 units	
27	Atascadero Ave-Vintage Homes	ZCH 2004-0086	02/22/05	12 units	10 units	2 units	0 units	0 units		
28	9105 San Diego PD 16	ZCH 2002-0031	02/11/03	5 units	5 units	0 units	0 units	0 units		
29	5690 Rosario Ave	ZCH 2003-0065	04/13/04	5 units	4 units	1 units or 5%	0 units	0 units		
30	6205 San Gabriel PD-16	ZCH 2002-0034	02/11/03	5 units	5 units	0 units	0 units	0 units		
31	7250 Santa Ysabel PD-7	ZCH 2001-0017	04/02/02	10 units	9 units	1 units	0 units	0 units		
32	5245 El Camino Real	GPA 2003-0011	04/03/04	2 units	0 units	2 units	0 units	0 units		2 units
33	Atascadero Christian Homes	CUP 8-89	07/06/04	20 units	0 units	0 units	20 units	0 units	20 units	
34	5802 Traffic Way	CUP 2004-0122	04/07/04	5 units	5 units	0 units	0 units	0 units		5 units
35	6205 Tecorida Ave	CUP 2004-0141	12/07/04	8 units	8 units	0 units	0 units	0 units		
36	7392 Santa Ysabel	ZCH 2004-0090	in process	0 units	0 units	0 units	0 units	0 units		
	965 El Camino Real	CUP 2003-0106	06/08/04	32 units				32 units		
Total				1406 units	1174 units	106 units	36 units	90 units	99 units	52 units

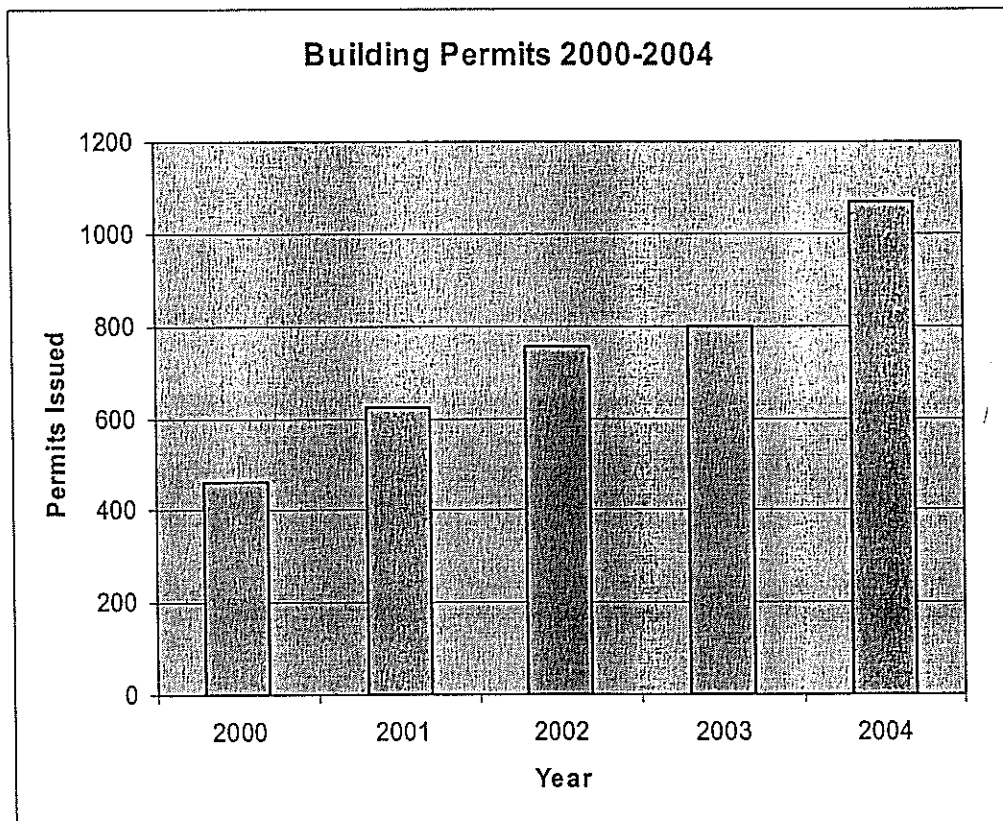
SECTION 4

SUMMARY AND RECOMMENDED HOUSING PRIORITIES FOR 2005

SUMMARY: The City has enacted several programs and approved entitlement permits for several projects that contribute to the implementation of all of the Housing Element goals.

As seen in Figure 1, below, over the past five years, Atascadero has seen a significant increase in development activity involving both large and small projects. Building permits issued increased 43% from 2000 to 2004. This activity has provided opportunities for implementation of housing programs designed to meet the requirements of the Housing Element goals. In addition, this activity has given the City a greater diversity in its housing products, from apartments to new subdivisions.

Figure 1 – Issued Building Permits 2000-2004



The year 2004 is approximately halfway through the time period for meeting the requirements of the Regional Needs Housing Allocation and for implementation of the current Housing Element, which is required to be updated in 2009. To date, the City has met 46% of its Regional Housing Allocation (RHA) and if all the projects which currently have entitlement are built, the City can expect to meet and exceed 100% of the overall RHA.

Table 1A – Quantified Objectives Accomplished, shows how the City is meeting the goals of the Housing Element by income level. The Quantified Objectives was officially adopted in June of 2002. Consequently, many of the target numbers for 2001 and 2002 were not met. In 2003, substantial progress was made in reaching the target numbers, which carried forward throughout 2004. Programs 2.2 (1), 4.1 (3), 4.2 (3), and 4.4 (1) are the only programs where progress has not been made. Staff is recommending that the City Council establish these programs as a priority for 2005.

The following table, Table 9 – Percentage of Quantified Objectives Met shows how the City is doing overall in meeting the quantified objectives. Additional detail can be found in Table 1A which shows the actual breakout of each of the programs' categories.

TABLE 9 – Percentage of Quantified Objectives Met

Program	Description	Target 2001-2004	Actual 2001-2004	Percent Accomplished
1.1 (2)	Downtown Mixed Use	36	5	14%
1.1 (3)	Small Lot Single Family	40	8	20%
1.1 (4)	PD in SFR-X Zone (PD-17)	48	118	245%
1.1 (5)	Specific Plan for Large Projects	20	279	1,395%
1.1 (7)	Mobile and Group Homes	12	32	266%
1.1 (8)	Support Apartment Construction	96	105	109%
2.1 (1)	Density Bonus	20	139	695%
2.1 (2)	PD-7 for Small Lot Subdivision	68	37	54%
2.2 (1)	Mortgage Credit Cert. Program	8	0	0%
2.2 (2)	Inclusionary Ordinance	12	200	1,666%
3.1 (3)	Second Units in SFR-Y	12	9	75%
3.1 (4)	Mixed Use Projects	28	323	1,154%
3.2 (1)	Public/Private Partnerships	12	25	208%
6.4 (2)	Large Family Units	12	4	33%
3.1 (2)	Non-profit Involvement	8	19	236%
4.1 (3)	Federal Grant Program	56	0	0%
4.2 (3)	RDA Funds	6	0	0%
4.4 (1)	No Net Loss of Affordable Units	0	0	0%

Based on the objectives that have been met and those that are still outstanding, a "road map" can be designed to help focus the attention of the City Council, over the next five years, to fully implement the Housing Element.

Recommended Housing Priorities for 2005: Again, referring to Table 1A on the following page, it is apparent that several identified programs in the Housing Element still need to be implemented. These programs include the Downtown Mixed Use, the Mortgage Credit Certification Program, No Net Loss of Affordable Units, and the federal grant and redevelopment funding programs.

Community Development Staff is recommending the City Council establish the following housing program priorities for the year 2005:

1. Certification of the 2002 Housing Element of the General Plan.
2. Establishment of the Mortgage Credit Certification Program.
3. Approval of an Inclusionary Housing Ordinance.
4. Research of housing entities that will purchase units which are near the expiration date of their affordable deed restriction.
5. Identification and evaluation of housing programs, within the Redevelopment Plan area, that could be funded with Redevelopment Agency monies.
6. Update the Density Bonus Ordinance to reflect State law changes effective January 1, 2005.

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